

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: TENNESSEE

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

X Pregnant women with no other eligible children.

X AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

 In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modification.

X In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

 The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:

 The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

 The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. If greater, \$150 of earned income will be disregarded in place of the \$90, \$30 and one-third earned income disregards for individuals who would otherwise be eligible for the \$30 and one-third disregards. These earned income disregards will be applied with no time limit.
2. Up to \$2000 in resources will be excluded. Escrow profits for low-income entrepreneurs and Individual Development Accounts (IDA) of up to \$5,000 each plus interest earned are excluded as countable resources.
3. Lump sum payments will be considered as a resource in the month received and thereafter if retained.
4. The first \$4,600 of equity value in an automobile will be disregarded. Any excess equity value of the automobile or the equity value of any other vehicle(s) will be considered as a resource and applied to the \$2,000 resource limit set forth in item 2. above.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

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1. Thirty dollar disregard was allowed for a total of twelve months, one-third disregard for four months, and the \$90 disregard for an unlimited time period as long as there were earnings.
2. The cash assistance resource limit was \$1,000. There was no previous exclusion of escrow profits for low-income entrepreneurs or IDAs.
3. Prior policy required determination of a period of ineligibility using the lump sum as income divided by the Consolidated Need Standard (CNS) for the aid group (AG) size. The CNS for an AG containing 24 persons of \$1,199 is much less than the \$2,000 resource limit now used to determine a period of ineligibility. Ineligibility under prior policy was a predetermined quotient that could be reduced only under certain specified circumstances. Under new policy the AG may be ineligible for one month only unless the AG retains the lump sum and it cause resource ineligibility in subsequent months. Using the lump sum as income previously usually resulted in more than one month of ineligibility (e.g. \$2,000 lump sum ÷ \$677 CNS for 3 = 2 months ineligibility plus \$646 counted as an income in the third month. Under new policy this lump sum would not have caused ineligibility unless the AG had additional resources. Even so, the AG would have opportunity to spend the excess resources to become resource eligible in the subsequent month with only one month of ineligibility).
4. The equity value of one vehicle in excess of \$1,500 was a countable resource.

 The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

 X The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

§402(a)(38) and 402(a)(41) and the various provisions of the regulations at 45 CFR 206.10(a)(1)(vii), 233.100(a)(1), (2), (3) and (c)(1)(iii) and (iv), and (c)(2)(1) and 233.101(a)(1), (2), (3), and (c)(1)(iii) and (iv), and (c)(2)(1) to allow the State to eliminate the unemployed parent requirement that the principal earner be employed less than 100 hours per month in situations where the caretaker in an AFDC family marries a nonrecipient.

§402(a)(31) and the various provisions of the regulations at 45 CFR 233.20(a)(3)(xiv) to allow the State to disregard the income of a new spouse who marries a recipient if the income, minus child support payments made to a child outside the assistance unit, is less than 185 percent of the standard of need for the assistance group size.

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STATE: TENNESSEE

METHODOLOGY FOR MORE LIBERAL TREATMENT OF RESOURCES
AS ALLOWED UNDER 1902(r)(2) OF THE ACT

The following more liberal treatment of resources applies to the determination of eligibility for SSI-related aged, blind and disabled institutionalized individuals under 42 CFR 435.211, 435.217, and 435.231 and aged, blind, and disabled Medically Needy adults under 42 CFR 435.320, 322, and 324 and Qualified Medicare Beneficiaries, ~~and Qualified Disabled Working Individuals.~~ *Q*

All of the individual's equity value in business/non-business resources used to produce income is excluded as a resource.

Business/Non-Business Resources are defined as land, buildings, equipment, supplies, inventory, tools of a tradesperson, livestock of a farmer, cash on hand, accounts receivable, etc. which are used in the person's trade or business, or in the employment of a family member or by the individual as an employee.

TN No. 90-23 DATE/RECEIPT 9/28/90
SUPERSEDES DATE/REPORTED 11/20/90
TN No. NEW DATE/EFFECTIVE 7-1-90
88-8

AT 90-23
Effective 7/1/90

State Plan Under Title XIX of the Social Security Act

State: Tennessee

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

 X **The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:**

All wages paid by the Census Bureau for temporary employment related to Census 2000 activities are excluded.

 The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

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